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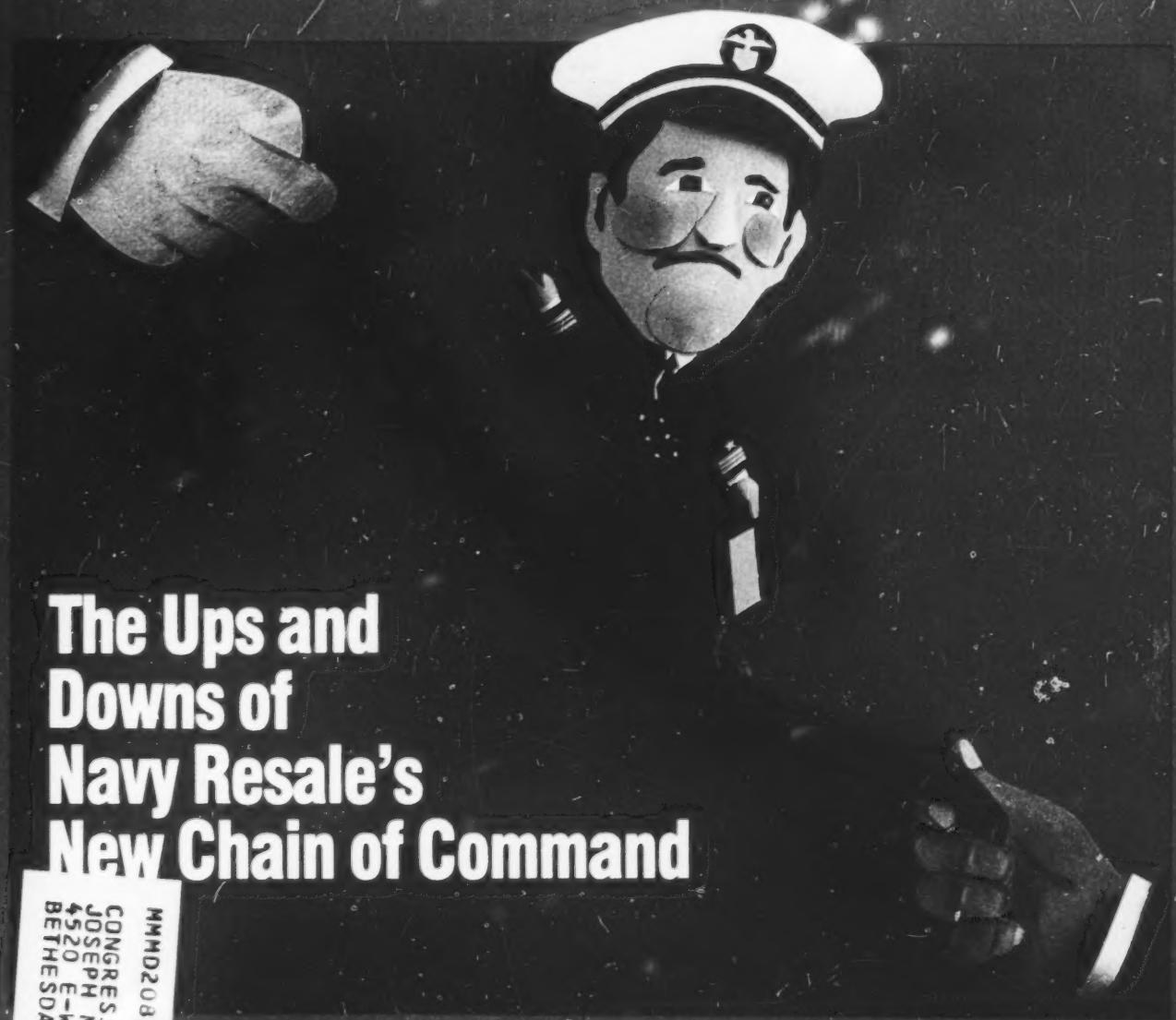
Military Market

MAGAZINE FOR THE MILITARY RETAIL SYSTEM ARMY TIMES PUBLISHING COMPANY MARCH 1987 $4.00



The Ups and Downs of Navy Resale's New Chain of Command

MMMD20814 1287 3 03 C 01
CONGRESSIONAL INFO SVC
JOSEPH MCNALLY
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Inside:
An Upfront Look at
Diet Food Trends

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serving the military resale system

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MILITARY MARKET, (USPS 911-580): Published 12 times a year by the Army Times Publishing Co., a division of The Times Journal Co., Springfield, Va. 22159-0210. Single copies: $4, except January Buyers Guide, July Almanac & Directory: $10 each. Subscriptions: 1 year, $35 (outside U.S., $45.); 2 years, $60 (outside U.S., $75); 1 year, outside U.S. via airmail, $180. Second class postage paid at Springfield, Va. and additional mailing offices. **POSTMASTER:** Send address changes to Military Market Magazine, Springfield, Va. 22159-0210.

Total Customer Savings — WECOR

(Fiscal 1985, 1986, part of 1987)

	Fiscal 1985	*Fiscal 1986*	*% Increase*	*1st Quarter Fiscal 1987 % Increase*
VPR	$11,216,636	$11,537,167	+2.9	+14.2
Coupon Redemptions	$1,720,749	$2,869,442	+66.8	+80.4
Total Savings	***$12,937,385***	***$14,406,609***	***+11.4***	***+25.8***

SOURCE: Western Commissary Region, TSA

WECOR — 1st Quarter Sales Performances Fiscal 1986 versus Fiscal 1987

Store	*October–December 1985*	*October–December 1986*	*% Change*
Dugway	$419,805	$416,629	-0.8
Fort Huachuca	4,268,779	4,268,244	NC
Fort Irwin	1,043,442	1,198,193	+14.8
Fort Lewis	10,356,433	11,345,442	+9.5
Oakland AB	1,913,614	1,636,667	-14.5
Fort Ord	9,149,302	9,607,103	+ 5.0
Presidio of SF	4,842,729	4,794,067	- 1.0
Sierra Army Depot	497,756	514,032	+ 3.3
Yuma	500,522	521,457	+ 4.2
Fort Greely	564,421	547,570	- 3.0
Fort Richardson	2,550,711	3,358,641	+31.7
Fort Wainwright	2,018,447	2,172,567	+ 7.6
Pusan	594,311	567,697	- 4.5
Taegu	1,603,602	1,718,615	+ 7.2
Yongsan	8,095,280	8,289,874	+ 2.7
Schofield Bks	7,636,565	8,307,309	+ 8.8
Sagamihara	1,754,147	2,195,503	+25.2
Total	***$57,809,866***	***$61,459,610***	***+ 6.3***

SOURCE: Western Commissary Region, TSA

Army's WECOR Hopes Smart Sales Programs Will Lead To Sales Increases

One of the busiest stores in WECOR — Fort Wainwright, Alaska — is housed in one of the region's worst buildings, said Col. Charles Wiker, commander of the Troop Support Agency's Western Commissary Region.

"Wainwright has produce in the cellar," Wiker said with dismay. Plans are on the drawing board for a new store at Wainwright, projected to be completed in June 1989. The post is also expecting an increase of 2,000 soldiers over the next two years, which will help sales there.

TSA's beefed-up construction program has helped WECOR. *[Editor's note: See chart on facing page.]*

New stores have been opened at Fort Lewis, Wash., and Fort Ord, Calif., and others are planned

Sales at Fort Richardson, Alaska, had the largest sales increase in WECOR — up 31 percent in the first quarter of fiscal 1987 versus the previous year. In Alaska, however, it's hard not to do well, because food prices outside the commissary are so high that patrons don't stray from shopping at the store.

Sales in Army's Western region totaled $230 million in fiscal 1986. Sales in the first quarter of fiscal year 1987 were up 6.3 percent.

TSA's Commander, Brig. Gen. James S. Hayes, has asked all TSA regions for a sales increase of 4 percent this year, but Wiker said he believes his region can do better.

"I'm looking for a 7-percent increase this year," he said, and pointed to his region's "double-digit stores" at Fort Irwin, Fort Richardson and Sagamihara, Japan, as big sales producers. *[Editor's note: See chart on facing page.]*

WECOR's merchandising chief, David Warnke, introduced to the ALA audience a new merchandising concept called the Patron Service Center. Basically a counter with cubby holes, the Center will hold various kinds of information, including coupons, base papers and flyers. The service center will not take the place of point-of-sale material, but will supplement it, Wiker told industry members.

Patron Service Centers will be located near store entrances.

One way to attract patrons is through videotapes. "We're starting to shoot a video about commissaries for newcomers," said Warnke. The video would explain how the commissary works and how much customers save. It will be shown at welcome aboard briefings, wives club functions and other post activities.

The 17 stores in WECOR are also vying for the "Best Dressed in the West" competition. The idea behind the contest is to promote good merchandising techniques and healthy competition between stores.

"We want all our stores to be equally attractive," Warnke said.

Midwest Region

"Top Gun" may be considered a Navy term and a box-office hit at movie theaters, but according MWCOR's merchandising and marketing chief Jerry Brazil, it means more than that.

Top guns in TSA's Midwest Commissary Region are the top-selling products in any one commodity group. "We look at the scanning sheets at each store to determine who the top guns are within 11 commodities," Brazil said. The new program is still in its infancy, but Brazil said that, in the future, subcommodity top guns will be created.

The region has tested coupon dispensing machines at Fort Bliss and Fort Sam Houston, Texas, and has decided to install them in other stores by July 8. The machines are a benefit for industry as well as the customer, Brazil said.

An indirect but effective way to increase sales, Brazil maintained, is through the Uniform Space Allocation program. "By looking at the consumption of two months within a commodity group, you find what number of cases should be allocated on that shelf," he said.

Then, at a reset, if the results indicate that a reduction of 25 linear feet is necessary, for example, Brazil said, you know that only the best-selling, fast-moving items have facings.

Col. Charles Wiker, commander of the Western commissary region for the Troop Support Agency.

Jerry Brazil, chief of the merchandising and marketing branch for TSA's Midwest region.

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COMMISSARIES

		NOVEMBER			YEAR TO DATE		
		CY'86	CY'85	% CHANGE	CY'86	CY'85	% CHANGE
	CONUS	$155,944	$156,798	-0.54	$1,715,079	$1,701,818	0.78
	OVERSEAS	31,605	29,595	6.80	333,359	292,750	13.87
AIR FORCE	TOTAL	**187,550**	**186,393**	**0.62**	**2,048,439**	**1,994,567**	**2.70**
	CONUS	112,000	108,990	2.76	1,208,095	1,174,110	2.89
	OVERSEAS	38,000	34,440	10.34	394,790	344,085	14.74
ARMY	TOTAL	**150,000**	**143,430**	**4.58**	**1,602,885**	**1,518,195**	**5.58**
	CONUS	61,203	62,410	-1.93	679,571	684,969	-0.79
	OVERSEAS	6,792	6,707	1.27	78,136	75,959	2.87
NAVY	TOTAL	**67,995**	**69,117**	**-1.62**	**757,707**	**760,928**	**-0.42**
	CONUS	13,485	14,764	-8.66	151,959	155,304	-2.15
	OVERSEAS	254	266	-4.51	2,874	2,797	2.75
MARINE CORPS	TOTAL	**13,739**	**15,030**	**-8.59**	**154,833**	**158,101**	**-2.07**
	CONUS	242	263	-7.98	2,821	2,918	-3.32
	OVERSEAS	314	353	-11.05	3,218	3,280	-1.89
COAST GUARD	TOTAL	**556**	**616**	**-9.74**	**6,041**	**6,198**	**-2.53**
	CONUS	$342,874	$343,225	-0.10	$3,757,525	$3,719,119	1.03
ALL	OVERSEAS	$76,965	$71,360	7.85	$812,377	$718,871	13.01
COMMISSARIES	TOTAL	**$419,839**	**$414,585**	**1.27**	**$4,569,902**	**$4,437,990**	**2.97**
GROCERY STORES	U.S.[1]	$23.301	$22.964	1.47	$252.664	$242.338	4.26

EXCHANGES

		NOVEMBER			YEAR TO DATE		
		CY'86	CY'85	% CHANGE	CY'86	CY'85	% CHANGE
	CONUS	$274,895	$257,881	6.60	$2,661,700	$2,604,376	2.20
	OVERSEAS	193,891	169,261	14.55	1,875,445	1,700,728	10.27
AAFES	TOTAL	**468,786**	**427,142**	**9.75**	**4,537,146**	**4,305,104**	**5.39**
	CONUS[2]	100,654	93,112	8.10	973,042	961,167	1.24
	OVERSEAS[2]	41,655	38,960	6.92	426,151	401,584	6.12
NAVY	TOTAL[2]	**142,309**	**132,072**	**7.75**	**1,399,193**	**1,362,751**	**2.67**
	CONUS	31,449	32,134	-2.13	311,739	317,378	-1.78
	OVERSEAS	4,723	5,231	-9.71	53,406	53,700	-0.55
MARINE CORPS	TOTAL	**36,172**	**37,365**	**-3.19**	**365,146**	**371,078**	**-1.60**
	CONUS[3]	7,414	7,038	5.34	74,924	73,074	2.53
	OVERSEAS[3]	552	506	9.09	5,579	5,550	0.52
COAST GUARD	TOTAL[3]	**7,966**	**7,544**	**5.59**	**80,503**	**78,624**	**2.39**
	CONUS[4]	1,757	1,640	7.13	13,978	12,571	11.19
	OVERSEAS[4]	2,918	4,365	-33.15	33,125	35,695	-7.20
MAIL ORDER	TOTAL[4]	**4,675**	**6,004**	**-22.14**	**47,103**	**48,266**	**-2.41**
	CONUS	$416,169	$391,805	6.22	$4,035,383	$3,968,566	1.68
	OVERSEAS	$243,739	$218,323	11.64	$2,393,706	$2,197,257	8.94
ALL EXCHANGES	TOTAL	**$659,908**	**$610,128**	**8.16**	**$6,429,089**	**$6,165,823**	**4.27**
DEPARTMENT STORES	U.S.[1]	$14.282	$13.910	2.67	$119.886	$113.841	5.31

1) SOURCE: U.S. Department of Commerce. 2) Does not include sales of ship stores. 3) MM estimate, based on official data. 4) Includes consolidated sales for all services, including Coast Guard. NOTE: Individual figures may not add to totals because of rounding. All sales are expressed in millions (add 000), except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges; exchange sales include concession volume.